

ND RETIREMENT AND INVESTMENT OFFICE

11/4/2008

Balance Sheet As of 9/30/2008

	As of <u>9-30-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,438,620,242	\$ 1,603,374,536
INTERNATIONAL EQUITIES	600,882,233	751,763,915
DOMESTIC FIXED INCOME	2,027,023,760	2,116,937,618
INTERNATIONAL FIXED INCOME	183,530,125	193,480,800
REAL ESTATE	415,209,405	433,101,768
ALTERNATIVE INVESTMENTS	193,854,784	203,274,502
INVESTED CASH (NOTE 1)	<u>65,020,629</u>	<u>82,143,865</u>
TOTAL INVESTMENTS	4,924,141,178	5,384,077,004
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	23,027,682	22,250,668
CONTRIBUTIONS RECEIVABLE	531,762	8,065,995
MISCELLANEOUS RECEIVABLE	<u>8,752</u>	<u>10,464</u>
TOTAL RECEIVABLES	23,568,196	30,327,127
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	165,726,976	193,890,417
OPERATING CASH	10,522,162	11,236,491
FIXED ASSETS (NET OF ACCUM DEPR)	<u>555,989</u>	<u>555,989</u>
TOTAL ASSETS	<u>\$ 5,124,514,501</u>	<u>\$ 5,620,087,028</u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	165,726,976	193,890,417
ACCOUNTS PAYABLE	25,399	87,142
ACCRUED EXPENSES	595,348	550,970
CAPITAL LEASE PAYABLE	0	0
INVESTMENT EXPENSES PAYABLE	<u>6,780,272</u>	<u>6,781,460</u>
TOTAL LIABILITIES	173,127,995	201,309,989
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	5,418,777,039	5,653,845,145
CASH IN DURING YEAR (NOTE 3)	82,968,000	457,757,640
CASH OUT DURING YEAR (NOTE 4)	106,931,438	402,350,350
NET INCREASE (DECREASE)	<u>(443,427,095)</u>	<u>(290,475,396)</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>4,951,386,506</u>	<u>5,418,777,039</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 5,124,514,501</u>	<u>\$ 5,620,087,028</u>

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11/4/2008

Profit and Loss Statement For the Month Ended 9/30/2008

	Month Ended <u>9-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 12,335,204	\$ 35,500,225
SECURITIES LENDING INCOME	<u>413,020</u>	<u>1,252,680</u>
	12,748,224	36,752,905
GAIN ON SALE OF INVESTMENTS	67,674,479	156,544,747
LOSS ON SALE OF INVESTMENTS	<u>78,956,753</u>	<u>159,322,117</u>
NET GAINS (LOSSES) INVESTMENTS	(11,282,274)	(2,777,370)
INVESTMENT EXPENSES	463,070	6,154,727
SECURITIES LENDING EXPENSES	<u>339,436</u>	<u>997,377</u>
NET INVESTMENT INCOME	663,444	26,823,431
NET APPREC (DEPREC) MARKET VALUE	(346,979,443)	(446,470,293)
MISCELLANEOUS INCOME/(EXPENSE)	<u>1,123,765</u>	<u>1,742,428</u>
TOTAL INVESTMENT INCOME	(345,192,234)	(417,904,434)
CONTRIBUTIONS & ASSESSMENTS (NOTE 5)	2,404,128	3,257,626
PURCHASED SERVICE CREDIT (NOTE 6)	448,120	1,229,252
PENALTY & INTEREST (NOTE 7)	<u>663</u>	<u>1,693</u>
TOTAL ADDITIONS	<u>(342,339,323)</u>	<u>(413,415,863)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 8)	9,443,268	28,457,314
PARTIAL LUMP SUM BENEFITS PAID	34,695	576,203
REFUNDS TO MEMBER (NOTE 9)	<u>165,357</u>	<u>587,282</u>
TOTAL BENEFITS PAID	9,643,320	29,620,799
ADMINISTRATIVE EXPENSES	149,773	390,433
TOTAL DEDUCTIONS	<u>9,793,093</u>	<u>30,011,232</u>
NET INCREASE (DECREASE)	<u><u>\$ (352,132,416)</u></u>	<u><u>\$ (443,427,095)</u></u>

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11/4/2008

Notes To Financial Statements

September 30, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 6 **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 7 **PENALTY & INTEREST**

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 8 **BENEFITS PAID TO PARTICIPANTS**

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 9 **REFUND TO MEMBERS**

Refunds of teachers' accounts who have ceased teaching in North Dakota.